

Report on Compliance with Court-Ordered Requirements

SNAP/APA

STATE OF ALASKA, DEPARTMENT OF HEALTH: AUGUST 1, 2025

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I. Introduction

This report provides the Court with the Alaska Department of Health's August 2025 update on compliance with court-ordered requirements related to the Supplemental Nutrition Assistance Program (SNAP) and Adult Public Assistance (APA). It outlines progress made through July 2025 in advancing timely and accurate benefit delivery, supporting system improvements, and strengthening program operations and staffing capacity.

II. Federal Correspondence and Oversight

The Division continues to work closely with federal partners to implement corrective actions, update policies, and improve system performance. On June 30, 2025, the United States Department of Agriculture issued its final determination of Alaska's Supplemental Nutrition Assistance Program (SNAP) payment error rate for federal fiscal year 2024. The payment error rate measures the accuracy of benefit determinations, including both agency-caused errors (such as incorrect income calculations or household composition) and client-caused errors (such as unreported income). Alaska's 2025 rate of 24.66% marks a significant improvement from the 2024 rate of 60.37%. However, because it remains above the federally established threshold for a second consecutive year, USDA has assessed a liability of \$4.62 million. On behalf of the Division, the Department of Law appealed the notice of claim/bill for collection on July 10, 2025.

The Division also notified the Food and Nutrition Service of Alaska's implementation of Broad-Based Categorical Eligibility effective July 1, 2025, allowing households with gross income at or below 200 percent of the federal poverty level to qualify for benefits without a

resource test. The policy is now authorized by AS 47.25.980(a) and aligns with federal regulation.

Additionally, the Division is monitoring USDA's policy updates, including the July 2025 rescission of the 2022 interpretation of sex discrimination under Title IX. This federal shift is not expected to impact current eligibility policy or public assistance delivery in Alaska but is noted as part of the Division's compliance monitoring.

See Attachment 1:

- FY 2024 SNAP Payment Error Rate Notification and Settlement Materials
- BBCE Implementation Notice
- USDA Policy Memo: Rescission of 2022 Bostock Guidance

III. Timely Processing of Applications

A. Workload Data

As of July 10, 2025, the Division reports 3,581 pending SNAP and APA cases, a decrease of 1,051 from the previous month. The SNAP backlog dropped to 3,051 and the APA backlog decreased to 530. SNAP timeliness averaged 48 percent, with expedited applications at 58 percent, initial applications at 59 percent, and recertifications at 20 percent. The average processing time for SNAP was 48 days.

See Attachment 3: Backlog Dashboard with Detail – Updated July 10, 2025

B. IT Modernization

The Division continues to implement targeted technology projects that streamline operations and improve client service. Several efforts moved into production or advanced planning in July:

- **CURRENT™ Integration with ILINX®**

The integration between CURRENT™, the Division's workload management system, and ILINX®, the document management platform, went live on June 26, 2025, with rollout support concluding July 3. This project enables ILINX® to send digital documents directly into CURRENT™, reducing duplicate data entry and improving task routing. A known issue related to blank phone number fields is being mitigated, with a long-term solution planned through future ARIES/EIS enhancements.

- **Automated "Date Received" Capture**

Implemented on June 26, 2025, this enhancement automatically adjusts the recorded submission date for applications received outside of business hours or on holidays to the next business day. Rollout support concluded in early July. This improvement ensures accurate submission tracking and helps maintain compliance with federal timeliness standards.

- **Notice Renewal Interview (SMS) Workflow**

A new workflow to notify clients of scheduled interviews via text message is under development. A draft project plan from contractors was submitted to the Division on July 3, 2025, and is currently under internal review. Once implemented, the system is expected to reduce missed appointments, improve timeliness, and decrease lobby traffic.

- **Multi-Program Application (On Hold)**

This project will allow clients to apply for multiple public assistance programs using a single ILINX® eForm. Although development and user testing are complete, the project remains on hold pending required federal review and approval by the Food and Nutrition Service (FNS) and the Centers for Medicare & Medicaid Services (CMS).

These initiatives reflect the Division's continued progress toward an integrated, client-centered system that improves processing efficiency, reduces manual tasks, and supports accurate and timely service delivery.

See Attachment 4:

- IT Project Roadmap – Updated August 2025
- Executive Status Report – July 3, 2025

C. Staffing Improvements

As of early July, the Division continued to show active internal movement across all eligibility classifications. Personnel actions reflect a pattern of lateral transfers and promotions, indicating strong internal retention and career progression. Hiring activity remained steady, with more positions reaching interview and hire-pending status. These trends build on June's momentum and support continued stabilization.

The Division continues to apply Administrative Order No. 358 thoughtfully, advancing program-critical positions while reviewing administrative classifications case-by-case. Administrative Order No. 358, issued by the Governor in May 2025, institutes a statewide hiring and travel freeze—allowing only essential positions and activities to move forward with approval. While the Division of Public Assistance (DPA) is exempt from the hiring freeze due to its role in delivering critical public services, it continues to prioritize field-based leadership and eligibility technician roles to strengthen frontline operations.

See Attachment 5:

- Status of Eligibility Technician Positions – Updated through July 2025
- Personnel Actions Summary – July 2025

D. Non-Merit Contract Staff

As of June, 106 contracted staff continued to support the Division through call center operations and administrative tasks that enable timely processing of public assistance applications. These staff handled 26,137 phone calls across multiple queues, with the average speed of answer reduced to under three minutes. In addition to call handling, staff completed 11,187 import review submissions, registered 260 applications from the federally facilitated marketplace and the self-service portal, completed 533 returned mail tasks, and supported the Medicaid renewal project by closing 2,023 cases and preparing 6,259 for review.

Contracted staff also assisted with tasks related to pregnant women and newborn cases, end-of-day call follow-up, and telephonic application support. Their work allows Division employees to focus on making eligibility determinations. Quality oversight included 291 evaluations in June, with most performance scores exceeding 90 percent. Training, supervision, and corrective action protocols remain in place to support consistency and accuracy.

See Attachment 6: Monthly Contract Report – June 2025

E. Training and Development

Training of new hires in Modified Adjusted Gross Income Medicaid (MAGI) and the Supplemental Nutrition Assistance Program (SNAP) continues, with a new cohort from the Fairbanks office beginning the week of June 30, 2025. These ten-week training courses combine classroom instruction with on-the-job case processing to build skills and readiness.

On July 28, a group of 15 staff will begin Adult Public Assistance training. This two-week training builds on prior MAGI and SNAP instruction and includes supported production, a supervised practice period in which trainees begin processing real cases with guidance from experienced staff. Upon completion, the Division will have 82 staff trained to process Adult Public Assistance cases.

The Division continues to run staggered training cohorts based on hiring activity and program need, with additional training planned for Adult Public Assistance, Medicaid and the Heating Assistance Program.

See Attachment 7: Training and Development Update – August 2025

IV. Efforts to Streamline Administration of Programs

At various times in the *Andrew v. Hedberg* litigation, the plaintiffs have recommended actions that they suggest would improve SNAP application processing. The Division of Public Assistance has also taken a number of steps to streamline and improve its programs and to increase access for the public. Although not a comprehensive summary of the Division's efforts to-date, the following is a list of actions that have aligned with those recommended by the plaintiffs:

- The Division implemented Broad-Based Categorical Eligibility (BBCE) for new SNAP applications and recertifications, starting July 1, 2025. BBCE simplifies the eligibility process by removing the resource test and raising the gross income threshold to 200 percent of the federal poverty level.
- The Division relocated its Anchorage lobby in July 2025 to a larger, more accessible space within the same facility. The redesigned layout improves visibility, seating, and workflow.

- The Division started its Elderly Simplified Application Project (ESAP) in December 2024. ESAP extends certification periods to 36 months for eligible elderly and disabled households, eliminates interim reports, and waives recertification interviews unless clarification is needed or requested by the client.
- The Division restructured its Virtual Contact Center (VCC) to improve the efficiency of its Interactive Voice Response (IVR) system. This includes dedicated prompts for SNAP and a scheduled interview queue. The Division also plans to add a daily call-back feature once it has enough staff to do so.
- The Division continues to use non-merit contractor staff for VCC and administrative functions. These staff have helped improve the way that calls are handled and reduced wait times. They answer calls, import and register applications, manage returned mail, and assisting with administrative tasks that are part of the eligibility workflow.
- The Division accept telephonic applications and signatures. The Division also accepts signed documents through the online MyAlaska portal, electronic forms, and in person.
- The Division has made in-person interviews available at all open DPA offices. The reopening of DPA office to in person interview was completed as follows: Bethel – August 2023, Juneau – November 13, 2023, Kodiak – November 27, 2023, Kenai – January 25, 2024, Homer – January 25, 2024, Wasilla – March 18, 2024, Fairbanks – July 8, 2024, Ketchikan – August 27, 2024, and Anchorage – November 18, 2024. Clients can submit an application at those offices and receive an interview on the same day . Staff are authorized to resolve issues directly without needing to be referred to the VCC.

- The Division started its Office-in-a-Box initiative in June, 2025. This initiative improves access by sending trained eligibility technicians to rural communities to provide hands-on support with applications and renewals.
- The Division also distributes paper applications to high-traffic public locations throughout rural Alaska.
- The Division has allowed clients to securely submit verification documents online or via smartphone using the Alaska Connect self-service portal since July 2024. The Division is adding functionality to this portal, including interview scheduling, status tracking, and client messaging. Those improvements are being made as part of the Division's SNAP Quality Control Investment Plan.
- The Division automated its ability to capture the "date received" on applications. This helps the Division ensure accuracy and timeliness. The Division also sends confirmation by mail, phone, or online regardless of submission method.
- The Division is working with the U.S. Department of Agriculture's Food and Nutrition Service to explore options for expanding the use of fee agents in rural areas. Although the Food and Nutrition Service denied the Division's request for a waiver that would have allowed fee agents to be used statewide, the Division is in discussions regarding possible targeted expansions.

These efforts demonstrate the Division's commitment to modernizing benefit delivery, increasing access, and improving program performance for Alaskans.

See Attachment 2: Workload Management Matrix – Updated July 2025

V. Conclusion

The Division of Public Assistance continues to make steady progress toward its goals of timely, accurate, and client-centered benefit delivery. In addition to ongoing investments in staffing, training, and system modernization, the Division has taken meaningful steps to streamline program administration in alignment with federal flexibilities and stakeholder input.

Initiatives such as Broad-Based Categorical Eligibility, the Elderly Simplified Application Project, Alaska Connect, and Office in a Box are improving client access and simplifying processes for both staff and applicants.

The Division remains engaged with federal partners to ensure alignment with program standards and expectations and is committed to sustained improvement through collaborative, data-informed strategies that support both compliance and service excellence.